

Anglin-Norcross Corporation Limited

and Subsidiary Companies

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS FOR THE YEAR ENDING FEBRUARY 28th, 1938

Your Directors submit herewith a Consolidated Balance Sheet showing the condition of the Company at the close of our fiscal year ending February 28th, 1938.

Adequate provision has been made for depreciation, taxes, contingencies and doubtful debts.

While there has been an improvement in construction work as compared with the previous year such betterment has fallen much below expectation and as compared with the increased activity in other major industries, statistics evidence that construction has lagged behind and is much below normalcy, due no doubt to some extent to the high rate of taxation on real property and the possibility of additional burdens being imposed.

During the fiscal year your Company redeemed by call and purchase 6,737 shares of Preferred stock. The par value of these shares together with that of 660 shares previously purchased is shown on the balance sheet as a capital surplus to conform with the requirements of the Dominion Companies Act.

Despite the cash outlay of \$70,064.80 for redemption of Preferred stock and the Government tax thereon you will note that, due to increased business earnings and to income from investments, our liquid position shows an improvement over the previous year and that there is a slight addition to our earned surplus after provision of the requisite amount for capital surplus.

Yours faithfully,

HENRY J. GROSS,

PRESIDENT.

MONTREAL, May 14th, 1938.

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ANGLIN-NORCROSS CORPORATION LIMITED

Consolidated February

Assets

CURRENT ASSETS:

Cash in Banks and Deposits	\$ 105,755.76	
Bonds, Call Loan and Investments - At Cost	667,359.64	
(Market Value \$694,635.00)		
Accounts Receivable	333,821.58	
Mortgages Receivable	4,350.00	
Material Inventories - At Cost	35,946.48	
TOTAL CURRENT ASSETS		\$1,147,233.46

FIXED ASSETS:

Machinery, Tools and Equipment - At Cost	\$ 321,570.83	
Office Building, Victoria Street Property, Mile End Plant and Iberville Granite Cutting Works - At Cost	190,386.20	
		511,957.03

\$1,659,190.49

We have audited the Books and Accounts of ANGLIN-NORCROSS CORPORATION LIMITED, and its subsidiaries, Anglin-Norcross Quebec Limited, Anglin-Norcross Ontario Limited and National Granite Works Limited for the year to February 28th, 1938.

We have verified the Securities and the Revenue therefrom. The usual Depreciation has been provided on Plant and Equipment, except in the case of the National Granite Works Limited.

In our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company. All our requirements as Auditors have been complied with.

BAKER, BIRNIE & COMPANY,

Chartered Accountants.

MONTREAL, March 25th, 1938.

LIMITED AND SUBSIDIARY COMPANIES

Balance Sheet

8th, 1938

Liabilities

CURRENT LIABILITIES

Accounts and Bills Payable	\$ 262,393.38
Income Tax Reserve	13,034.08
Dividends Payable	118.50

TOTAL CURRENT LIABILITIES \$ 275,545.96

RESERVES:

Depreciation	\$ 303,926.46
Contingencies	24,221.84
Investments	72,451.26
General Reserve	118,662.63

519,262.19

CAPITAL STOCK:

Preferred - 5% Redeemable Non Cumulative		
Authorized and Issued	65,600 Shares	656,000.00
Less: Redeemed	7,397 Shares	73,970.00
	58,203 Shares	582,030.00

Common—No Par Value		
Authorized	10,000 Shares	
Issued	6,560 Shares	32,800.00

614,830.00

CAPITAL SURPLUS 73,970.00

SURPLUS—EARNED 175,582.34

\$1,659,190.49

SURPLUS—EARNED

Profit on Completed Contracts after providing for all Operating Expenses, including \$26,965.13 provision for Depreciation, for the year to February 28th, 1938	\$ 43,878.41
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ADD:

Income from Investments and Special Revenue	76,265.64
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120,144.05

DEDUCT:

Directors' Fees	\$ 3,150.00
Executives' Salaries	22,400.00
Legal Fees	1,023.70
Reserve for Income Tax	12,500.00

39,073.70

Net Profit for the Year \$ 81,070.35

Surplus February 28th, 1937 168,481.99

Less: Transferred to Capital Surplus 73,970.00

94,511.99

Surplus February 28th, 1938 \$ 175,582.34

Approved— { A. O. DAWSON
C. D. HARRINGTON } Directors.

Anglin-Norcross Corporation Limited

BOARD OF DIRECTORS

G. W. BIRKS	Montreal	P. N. GROSS	Toronto
A. L. BISHOP	Toronto	C. D. HARRINGTON . .	Montreal
A. O. DAWSON	Montreal	W. S. LESLIE	Montreal
H. J. GROSS	Montreal	G. L. MAGANN	Toronto

OFFICERS

<i>President</i>	HENRY J. GROSS
<i>Vice-President and Manager</i> . .	CONRAD D. HARRINGTON
<i>Secretary-Treasurer</i>	GEORGE A. LOWLES
<i>Assistant Secretary-Treasurer</i>	THOMAS A. GUNN

SUBSIDIARY COMPANIES

ANGLIN-NORCROSS QUEBEC LIMITED . .	892 Sherbrooke St. W., Montreal
ANGLIN-NORCROSS ONTARIO LIMITED . . .	57 Bloor Street West, Toronto
NATIONAL GRANITE WORKS LIMITED	Iberville, Que.
ROSSLIN IMPROVEMENT COMPANY LIMITED .	892 Sherbrooke St. W., Montreal